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**FILED**  
Superior Court of California  
County of Los Angeles

OCT 26 2016

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By [Signature] Deputy  
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12 Meiers

STATE OF CALIFORNIA

LOS ANGELES SUPERIOR COURT

BC 638631

CHASE METALS LLC, limited liability  
company,

Plaintiff,

v.

S. MICHAEL SAMHAT AKA MICHAEL  
DUPONT, an individual;  
GALACTIC JACKS MOON ROCKS LLC  
LLC; a limited liability company;  
and JOHN DOES 1-25, unidentified  
inviduals.

Defendants.

Case No.

**COMPLAINT FOR DAMAGES AND  
INJUNCTIVE RELIEF:**

- 1) TRADE SECRET THEFT
- 2) BREACH OF FIDUCIARY DUTY
- 3) TORTIOUS INTERFERENCE WITH  
PROSPECTIVE ECONOMIC  
RELATIONSHIPS
- 4) FRAUD
- 5) CONSTRUCTIVE FRAUD
- 6) THEFT/CONVERSION
- 7) CONSTRUCTIVE FRAUDULENT  
TRANSFERS
- 8) COMPUTER FRAUD AND ABUSE  
ACT VIOLATIONS [18 U.S.C. §1030]
- 9) UNFAIR COMPETITION [§17200]

RECEIPT #: CCH465980089  
DATE PAID: 10/26/16 12:20 PM  
PAYMENT: \$435.00  
RECEIVED:  
CHECK: \$435.00  
CASH: \$0.00  
CHANGE: \$0.00  
CARD: \$0.00

COMPLAINT FOR DAMAGES  
AND INJUNCTIVE RELIEF

Plaintiff CHASE METALS LLC hereby alleges as follows:

**PARTIES**

1. CHASE METALS LLC ("CM") is a limited liability Company formed in Wyoming.

2. Defendant S. MICHAEL SAMHAT ("Michael Samhat" or "Samhat") is a resident of Los Angeles County, California. "MICHAEL DUPONT" is an alias used by Samhat.

3. Defendant GALACTIC JACKS MOON ROCKS LLC ("GJMR") is a limited liability company doing business in Los Angeles County, California.

4. The true names and capacities, whether corporate, associate, individual, partnership, limited liability company, or otherwise, of Defendants and/or their alter egos sued herein as JOHN DOES 1 through 25, inclusive, are presently unknown to Plaintiff, who therefore sues said Defendants by such fictitious names pursuant to California Code of Civil Procedure section 474.

5. The Defendants sued by the fictitious names JOHN DOES 1 through 25 are persons or entities whose true names and identities are currently unknown to Plaintiff. Plaintiff will amend this Complaint to allege the true names and capacities of these fictitiously named Defendants when they are ascertained. Each of the fictitiously named Defendants is responsible for the conduct alleged in this Complaint. Through their conduct, the fictitiously named Defendants actually and proximately caused the damages of Plaintiff.

6. Plaintiff is informed and believes, and thereupon alleges that, at all times mentioned herein, each Defendant was acting as the agent and/or employee of each of the remaining Defendants and was at all times acting within the purpose and scope of such agency and employment. Plaintiff further alleges on information and belief that, in doing the acts alleged herein, each Defendant, and its officers, directors, members, owners, principals, or managing agents (where the defendant is a corporation, limited liability company, or other form of business entity) authorized and/or ratified the conduct of each other Defendant and/or of his/her/its employees. Plaintiff is informed and believes, and thereupon further alleges, that each of the Defendants acted in concert with each and every other defendant, intended to and did

1 participate in the events, acts, practices, and courses of conduct alleged herein, and were a  
2 proximate cause of the damages and injuries to Plaintiff as alleged herein.

### 3 JURISDICTION AND VENUE

4 7. The Los Angeles, California Superior Court has jurisdiction over this action  
5 pursuant to California Constitution Article VI, Section 10, which grants the Superior Court  
6 "original jurisdiction in all causes except those given by statute or other trial courts."

7 8. Venue is proper in Los Angeles County as it is the situs for all of the events at  
8 issue in this matter

9 9. Plaintiff seeks relief that is within the jurisdictional limits of the Court.

### 10 BACKGROUND FACTS

11 10. Plaintiff CM is at all times relevant herein engaged in offering investments in  
12 gold, silver, and precious metals to consumer IRA accountholders.

13 11. CM markets its services using lead and client information, which includes but is  
14 not limited to contact information, account information, precious metals positions in their  
15 IRAs, needs and preferences, negative needs/preferences (i.e., what they do not want or prefer),  
16 purchase history (collectively "Customer Database"). CM's Customer Database is not  
17 available to the public, and CM has expended substantial time and money developing the  
18 Customer Database, for its sole and exclusive advantage and benefit. CM's Customer Database  
19 is stored electronically, and is encrypted and password-protected, and is not accessible to  
20 anyone but CM's management. CM's leads, on the other hand, are identified through the  
21 expenditure of significant marketing, lead-generation, and lead-identification expenses, which  
22 identify a small group of individuals who are open to investing holdings in their IRA accounts  
23 and taking investment positions in precious metals (like gold bullion).

24 12. CM also developed, over a series of years and at substantial time and expense, a  
25 profitable business model, including lead-identification strategies, lead-to-customer acquisition  
26 strategies, lead-to-customer marketing and sales procedures, pricing models, and  
27 sales/marketing techniques, all of which are used by CM during the course of its business  
28 activities (collectively, "Proprietary Business Information"). These procedures and techniques,

1 which were proprietary and developed by CM's founders based on their years of experience  
2 with the gold/silver and precious metals industry, have been the core of CM's success and  
3 differentiate CM from its competitors.

4 13. CM has also developed, over time, relationships with custodians of precious  
5 metals based on experience with those custodians, as well as information about their trading  
6 practices, reliability, pricing, and other conventions and has documented lists of its preferred  
7 custodian trade partners ("Custodian Partners"). Because investments in precious metals  
8 necessarily cannot occur without Custodian Partners (who serve as the custodians of the  
9 precious metals, like gold bullion), the choice and selection of a custodian partner is an integral  
10 part of CM's business and business model.

11 14. CM has taken a series of precautions to protect the secrecy of the above  
12 information, including without limitation, requiring its sales representatives to sign  
13 confidentiality agreements, and otherwise preventing access to its information by keeping its  
14 premises, files, and computer secure from the public. CM effectuates its trades on behalf of  
15 clients using a private trading terminal, which is located in a locked office, using CM's  
16 authorized credentials.

17 15. Defendants Michael Samhat and GJMR ("Samhat Parties") were independent  
18 contractors of CM. The Samhat Parties commenced services for CM on November 27, 2015,  
19 serving as commissioned sales representatives. During the course of Michael Samhat's work  
20 for CM, he used "Michael Dupont" as an alias.

21 16. At an indeterminate point in time, after gaining access and entry into CM's  
22 offices and while performing services for CM, Samhat Parties formed a plan, scheme, and  
23 artifice to replicate CM's business and business model, in connection with other third parties,  
24 John Does 1-25, so as to as benefit themselves individually. While in a position of confidence  
25 and having undertaken confidentiality and other obligations to CM, Samhat Parties and John  
26 Does 1-25 engaged in the following:

- 27 a) lifting, misappropriating, and through the outright theft of CM's Customer  
28 Database, Proprietary Business Information, and Custodian Partners;.

17. Samhat Parties, while still performing services for CM, took steps to organize, form, and operate new business entities, including but not limited to “Oakwood Metals LLC”, “Oakwood James LLC” and other John Does 1-25 (“Samhat Entities”), and setting up and operating new websites and domains, offering the identical services as CM to CM’s own customers, by making unauthorized use of CM’s Business Proprietary Information and CM’s Customer Database.

18. Samhat Parties formed a plan with other CM employees to misappropriate and take advantage of CM's business prospects by intentionally sabotaging client trades that they were assigned to transact, so as to stall and delay those trades from occurring (so they could route those trades to themselves and their new entities) while still performing services for CM.

19. Thereafter, while still performing services for CM, Samhat Parties identified themselves as representatives of one or more of the Samhat Entities to CM customers and leads, soliciting them to use one or more of the Samhat Entities as their precious metals dealer, and encouraging CM's own customers and leads to move their accounts away from CM and to begin using one or more of the Samhat Entities as their precious metals dealer.

20. Samhat Parties, having unauthorizedly gained access to CM's pricing models and business model, including its margins, and pricing structure, strategically solicited CM's customers by intentionally pricing below CM and undercutting its margins, and engaging in predatory pricing, so as to attract CM's customers, steer them away from CM, and price CM out of its own market.

21. CM is informed and believes that each of the Samhat Parties, Michael Samhat and GJMR, Inc., and each of the Samhat Entities, as well as John Does 1-25 have participated in, advanced, conspired in, aided and abetted, and received the benefits of the proceeds of the unlawful actions described herein.

22. CM is informed and believes that the Samhat Parties and/or each of the Samhat Entities ("Oakwood Metals LLC", "Oakwood James LLC" and John Does 1-25") are alter-egos of Michael Samhat ("Alter Ego Entities"). There now exists, and at all relevant times was a unity of interest and ownership in the Alter Ego Entities by Michael Samhat and/or GJMR, such that their separate existence does not exist, including but not limited to their treatment of the Alter Ego Entities as shell entities, insufficiently capitalized, that do not observe corporate formalities, do not maintain separateness as distinct legal entities, and are merely shells, instrumentalities, and conduits for their own personal business transactions and schemes. Because inequity would result and inure to the benefit of these individuals absent application of the alter-ego doctrine, Plaintiff asks that Michael Samhat and/or GJMR be jointly and severally liable for the actions of the Alter Ego Entities.

#### **COUNT I – TRADE SECRET THEFT**

**(Against All Defendants Including John Does 1-25)**

23. Plaintiff incorporates the paragraphs above, inclusive, into this paragraph as

1 though fully set out herein.

2 24. CM's confidential information identified below constitutes and/or contains  
3 trade secrets within the scope of the Uniform Trade Secret Act, California Civil Code Sections  
4 3426-3426.11:

- 5 a) CM's Customer Database, which includes but is not limited to: lead and client  
6 information, contact information, account information, precious metals  
7 positions in their IRAs, needs and preferences, negative needs/preferences (i.e.,  
8 what they do not want or prefer), purchase history, financial history, trading  
9 history, and other information (collectively "Customer Database"). CM's  
10 Customer Database is not available to the public, and CM has expended  
11 substantial time and money developing the Customer Database, for its sole and  
12 exclusive advantage and benefit. CM's Customer Database is stored  
13 electronically, and is encrypted and password-protected, and is not accessible to  
14 anyone but CM's management.
- 15 b) CM's Proprietary Business Information (namely, its business model, including  
16 lead-identification strategies, lead-to-customer acquisition strategies, lead-to-  
17 customer marketing and sales procedures, pricing models, and sales/marketing  
18 procedures, its margins, as well as pricing structure, all of which are used by  
19 CM during the course of its business activities).
- 20 c) CM's Custodian Partners Information (defined to include CM's relationship and  
21 information about the vendors and the custodians of gold/silver/precious metals,  
22 as well as the identities, contact information, and pricing information of the  
23 depository vaults used by CM in completing client transactions, their trading  
24 practices, reliability, pricing, and other conventions (all of which CM has  
25 documented) along with its lists of preferred custodian trade partners).
- 26 (hereinafter "Trade Secrets").

27 25. As a direct consequence of Defendant Michael Samhat and GJMR's contractor  
28 relationship with CM, Defendants gained access to CM's Trade Secrets.

1           26.     Thereafter, the Defendants and each of them engaged in the following Wrongful  
2     Fiduciary Acts, as follows:

- 3           a)     lifting, misappropriating, and through the outright theft of CM's Customer  
4                 Database, Proprietary Business Information, and Custodian Partners;.
- 5           b)     raiding CM's software database of client and customer information, including  
6                 the Customer Database;
- 7           c)     setting up competing entities that misappropriated and made identical use of  
8                 CM's Proprietary Business Information, including its business model, including  
9                 lead-identification strategies, lead-to-customer acquisition strategies, lead-to-  
10                customer marketing and sales procedures, pricing models, and sales/marketing  
11                procedures.
- 12          d)     copying, misappropriating, and lifting CM's custodian relationships and  
13                 contacts, namely, the custodians of gold/silver/precious metals, as well as the  
14                 identities, contact information, and pricing information of the depository vaults  
15                 used by CM in completing client transactions.
- 16          e)     systematically gathering all relevant information relating to CM so as to  
17                 replicate CM's business and business model by copying paper files and  
18                 computer files, obtaining CM's business, confidential, and proprietary  
19                 information, as well as its Customer Database, without authorization or consent.
- 20          f)     breaking and entering into CM's offices to access private documents, electronic  
21                 files and records, and accessing CM's trading account portal without  
22                 authorization.
- 23          g)     organizing, forming, and operating new business entities, including but not  
24                 limited to "Oakwood Metals LLC", "Oakwood James LLC" and other John  
25                 Does 1-25 ("Samhat Entities"), and setting up and operating new websites and  
26                 domains, offering the identical services as CM to CM's own customers, by  
27                 making unauthorized use of CM's Business Proprietary Information and CM's  
28                 Customer Database.



- 1 h) intentionally sabotaging client trades that they were assigned to transact, so as to  
2 stall and delay those trades from occurring (so they could route those trades to  
3 themselves and their new entities) while still performing services for CM.  
4 i) soliciting CM's customers and leads and encouraging them to terminate their  
5 relationship with CM, to move their accounts away from CM and to begin using  
6 one or more of the Samhat Entities as their precious metals dealer.  
7 j) strategically soliciting CM's customers by intentionally pricing below CM and  
8 undercutting its margins, and engaging in predatory pricing, so as to attract  
9 CM's customers, steer them away from CM, and price CM out of its own  
10 market.  
11 k) focusing its sales strategy on key CM customers and leads, which they knew  
12 from their work at CM and from the CM Customer Database to be "warm"  
13 customers and leads as well as prospects who were more likely to close the  
14 transaction, in essence, misappropriating the knowledge they learned about CM  
15 customers while performing services for CM to themselves for their own  
16 financial benefit and profit.  
17 l) And other acts to be discovered during the course of litigation.

18 (altogether "Wrongful Trade Secret Acts").

19 27. By virtue of Michael Samhat's role in GJMR, Inc., and the Samhat Entities  
20 and/or the Defendants and each of them gained access to CM's Trade Secrets, and thereafter  
21 misappropriated them and/or used them for their own benefit.

22 28. The Wrongful Trade Secret Acts constituted violations of California's Trade  
23 Secret Act.

24 29. Each of the defendants conspired with each other in committing and/or  
25 attempting to commit the Wrongful Trade Secret Acts, and agreed to said scheme and/or aided  
26 and abetted or otherwise acted in concert with the commission of these acts. The Defendants  
27 knew this conduct was wrongful, but they gave substantial assistance or encouragement to so  
28 act and to accomplish the result of the acts.

1           30.   Proximate Causation. As a result of the Defendants' conduct, CM has been  
2 damaged in an amount to be determined at trial, but believed to be in the millions of dollars.

3           31.   Irreparable Injury. CM will suffer irreparable injury in that the Defendants and  
4 each of them will continue to engage in the Wrongful Trade Secret Acts unless restrained by  
5 this Court, and CM will lose business and business advantage it acquired by expending time  
6 and money to develop its Trade Secrets. CM therefore seeks preliminary and permanent  
7 injunctive relief from this Court pursuant to California Civil Code §3426.20.

8           32.   Receiver/Attachment Necessary. CM's property and assets are in danger of  
9 being removed and materially destroyed by Defendants. The provisional attachment remedies  
10 and appointment of a receiver are necessary to prevent the Defendants from continuing to  
11 profit from their Wrongful Fiduciary Acts and violating CM's rights.

12           33.   Punitive Damages. Defendants' acts were willful and malicious, and made with  
13 a conscious disregard of CM's rights. For example, Defendants and each of them intentionally  
14 schemed with each other to gather all of CM's confidential, business proprietary, and Trade  
15 Secret information, specifically for the purpose of replicating CM's business and business  
16 model, taking advantage of CM's business relationships and trade partners, and not only  
17 lifting and raiding CM's customer database, but intentionally sabotaging the deals and client  
18 accounts they were responsible for, so as to misappropriate those trades to themselves. As a  
19 result of their deliberate intent to injure CM, CM seeks the imposition of punitive/treble  
20 damages.

21           34.   Attorneys' Fees. Pursuant to Civil Code §3426.4, Defendants' acts were willful  
22 and malicious and Plaintiff seeks its attorneys' fees.

23                           **COUNT II – BREACH OF FIDUCIARY DUTY**

24                           **(Against Defendants Michael Samhat and GJMR)**

25           35.   Plaintiff re-alleges and incorporates by reference the allegations in all preceding  
26 paragraphs of this complaint as though fully set forth herein.

27           36.   Fiduciary Relationship. As CM's contractor, Defendants Samhat and GJMR had  
28 a fiduciary relationship to CM. CM was reliant on Defendants Samhat and GJMR to diligently

1 perform the duties contracted for, namely, sales services related to CM's business in providing  
2 precious metals investments to customers and consumer IRA accounts. CM reposed trust and  
3 confidence in Defendants Michael Samhat and GJMR and trusted them to properly conduct  
4 themselves and implement CM's sales procedures, to deal with CM fairly, candidly, and  
5 loyally.

6 37. Exercise of Fiduciary Powers. Defendants Michael Samhat and GJMR in fact  
7 exercised powers as CM's agent and fiduciaries by transacting business on behalf of CM and  
8 acting as sales representatives to grow CM's business. As CM's sales representatives, they  
9 were given the authority to close client transactions and effectuate precious metals investment  
10 trades, while earning commission on behalf of CM.

11 38. Breaches of Fiduciary Duties. Between November, 2015 through the present  
12 date, and on an ongoing basis, while performing services for CM as CM's contractor sales  
13 representative, Defendants Michael Samhat and GJMR breached their duties owed to CM by  
14 engaging in transactions that benefited them and not CM, including but not limited to  
15 (hereinafter altogether "Wrongful Fiduciary Acts"),

- 16 a) lifting, misappropriating, and through the outright theft of CM's Customer  
17 Database, Proprietary Business Information, and Custodian Partners;.
- 18 b) raiding CM's software database of client and customer information,  
19 including the Customer Database;
- 20 c) setting up competing entities that misappropriated and made identical use of  
21 CM's Proprietary Business Information, including its business model,  
22 including lead-identification strategies, lead-to-customer acquisition  
23 strategies, lead-to-customer marketing and sales procedures, pricing models,  
24 and sales/marketing procedures.
- 25 d) copying, misappropriating, and lifting CM's custodian relationships and  
26 contacts, namely, the custodians of gold/silver/precious metals, as well as  
27 the identities, contact information, and pricing information of the depository  
28 vaults used by CM in completing client transactions.

- e) systematically gathering all relevant information relating to CM so as to replicate CM's business and business model by copying paper files and computer files, obtaining CM's business, confidential, and proprietary information, as well as its Customer Database, without authorization or consent.
- f) breaking and entering into CM's offices to access private documents, electronic files and records, and accessing CM's trading account portal without authorization.
- g) Organizing, forming, and operating new business entities, including but not limited to "Oakwood Metals LLC", "Oakwood James LLC" and other John Does 1-25 ("Samhat Entities"), and setting up and operating new websites and domains, offering the identical services as CM to CM's own customers, by making unauthorized use of CM's Business Proprietary Information and CM's Customer Database.
- h) intentionally sabotaging client trades that they were assigned to transact, so as to stall and delay those trades from occurring (so they could route those trades to themselves and their new entities) while still performing services for CM.
- i) soliciting CM's customers and leads and encouraging them to terminate their relationship with CM, to move their accounts away from CM and to begin using one or more of the Samhat Entities as their precious metals dealer.
- j) strategically soliciting CM's customers by intentionally pricing below CM and undercutting its margins, and engaging in predatory pricing, so as to attract CM's customers, steer them away from CM, and price CM out of its own market.
- k) focusing its sales strategy on key CM customers and leads, which they knew from their work at CM and from the CM Customer Database to be "warm"

1 customers and leads as well as prospects who were more likely to close the  
2 transaction, in essence, misappropriating the knowledge they learned about  
3 CM customers while performing services for CM to themselves for their  
4 own financial benefit and profit.

5 l) And engaging in other wrongful breaches of fiduciary duty, acts of  
6 dishonesty, self-dealing, and Wrongful Fiduciary Acts and omissions to be  
7 discovered once the discovery of this matter takes place.

8 39. Breach of Duty of Reasonable Care. In committing the Wrongful Fiduciary Acts,  
9 Defendants Michael Samhat and GJMR failed to use reasonable care. They failed to act as a  
10 reasonably careful agent would have acted under similar circumstances. No reasonable agent or  
11 fiduciary would have engaged in the Wrongful Fiduciary Acts, which hurt CM financially.

12 40. Breach of Duty of Loyalty. In committing the Wrongful Fiduciary Acts,  
13 Defendants Michael Samhat and GJMR breached their duty of loyalty to CM. They knowingly  
14 acted against CM's interests by engaging in the Wrongful Fiduciary Acts, which hurt CM and  
15 which Defendants knew would hurt CM. CM did not give informed consent to the Wrongful  
16 Fiduciary Acts, and was harmed as a result thereof.

17 41. Conflicts of Interest. In committing the Wrongful Fiduciary Acts, Defendants  
18 Michael Samhat and GJMR engaged in conflict-of-interest transactions. They misused the  
19 access that was given to them by CM into CM's business, business model, customer and client  
20 information, business proprietary and other confidential information, and they misused their  
21 position as a sales representative on behalf of CM to gain knowledge and use that knowledge  
22 for their own financial benefit, while simultaneously depriving CM of the value of the client  
23 investment transactions that they were purportedly helping CM materialize, by routing and  
24 misdirecting such trade commissions to themselves.

25 42. Breach of Duty of Loyalty, Good Faith, and Fair Dealing. In committing the  
26 Wrongful Fiduciary Acts, Defendants Michael Samhat and GJMR breached their duties of  
27 loyalty, good faith, and fair dealing owed to CM. The Wrongful Fiduciary Acts constituted a  
28 violation of Defendants Michael Samhat and GJMR's obligations to CM, as these actions were

1 taken maliciously by Defendants Michael Samhat and GJMR with knowledge that they would  
2 cause financial detriment and harm to CM. Nonetheless, Defendants Michael Samhat and  
3 GJMR were reckless and/or disregarded the substantial probability that financial harm would  
4 be caused to CM through their actions, and committed the Wrongful Fiduciary Acts anyway.

5 43. Proximate Causation. Defendants Michael Samhat and GJMR's conduct caused  
6 and was a substantial factor in causing CM's harm.

7 44. Damages. As a proximate result of the Wrongful Fiduciary Acts, CM has been  
8 damaged, in an amount to be proven at trial.

9 45. Injunction. Plaintiff CM is entitled to injunctive relief to prevent irreparable  
10 harm that would result if their assets and property were left in the possession of Defendants  
11 and/or their transferees, and there the monies and assets controlled by Defendants may never  
12 be recovered.

13 46. Attachment. Plaintiff CM is entitled to pre-judgment attachment on all such  
14 assets and property that were the subject of the Wrongful Transfers by Defendants Michael  
15 Samhat and GJMR now in the possession of Defendants Michael Samhat and GJMR or in the  
16 possession of the other defendants, including any one of the Samhat Entities or John Does 1-  
17 25.

18 47. Punitive Damages. Defendants committed the Wrongful Fiduciary Acts by  
19 oppression, fraud, and/or malice, and so Plaintiff CM seek punitive damages against  
20 Defendants Defendants' Wrongful Fiduciary Acts were committed intentionally and with an  
21 intent to injure Plaintiff CM as Defendants knew exactly what they were doing. Defendants  
22 and each of them intentionally schemed with each other, specifically for the purpose of  
23 replicating CM's business and business model, by lifting and raiding CM's customer  
24 database, forming competing entities, and leading up to the start of their business,  
25 intentionally sabotaging the deals and client accounts they were responsible for pursuant to  
26 their duties for CM, so as to misappropriate those trades and trade commissions to themselves,  
27 converting those funds for their own use. As a result of their deliberate intent to injure CM  
28 and outright theft of money and property belonging to CM, CM seeks the imposition of

1 punitive/treble damages.

2 **COUNT III: TORTIOUS INTERFERENCE WITH**  
3 **PROSPECTIVE ECONOMIC RELATIONSHIPS.**

4 **(Against All Defendants Including John Does 1 - 25)**

5 48. Plaintiff re-alleges and incorporates by reference the allegations in all preceding  
6 paragraphs of this complaint as though fully set forth herein.

7 49. Economic Relationships. Plaintiff CM had economic relationships, both  
8 impending and prospective, with its existing customers as well as solicited leads. CM's  
9 customers had previously made investment purchases of precious metals into their consumer  
10 IRA accounts, and were solicited for prospective sales of additional precious metals  
11 investments. CM's leads on the other hand, were developed over a period of time, through the  
12 expenditure of advertising funds, lead-identification, sales efforts (which took months or years,  
13 in some cases), involving repeated "touches" by sales representatives who followed CM's  
14 proprietary sales-generation and lead-to-client conversion techniques. CM's leads, after CM's  
15 consistent marketing efforts, materialized into client transactions.

16 50. Knowledge of Relationships. Defendants had knowledge of CM's clients and  
17 leads because they gained access to CM's Customer Database unlawfully as detailed above,  
18 and were also provided, on a limited basis, a series of leads to pursue in conducting CM's sales  
19 activities. Because CM's Customer Database and lead information contained the details of  
20 CM's sales activities as to each individual, as well as their past purchases, preferences,  
21 negative preferences, and other details, gaining access to CM's Customer Database would have  
22 revealed to an unauthorized user which customers/leads were considered high-value  
23 customers/leads. Defendants also had knowledge of which leads were on the verge of  
24 converting to clients as they had responsibility, as sales representatives, to accomplish the  
25 specific task of converting leads to clients. They knew which leads were receptive to the sales  
26 offerings being made by CM and which leads were likely to convert to clients and purchase  
27 precious metals investments from CM.

28

1           51.     Intentional Acts Designed to Disrupt the Relationship. Defendants and/or each  
2 of them undertook a series of actions designed to disrupt CM's relationship with its existing  
3 customers who were prospective re-purchasers of investments, as well as its leads who were on  
4 the verge of making investments through CM, or leads who were likely to make precious  
5 metals investments through the time, history, and resources expended on marketing efforts by  
6 CM (collectively, "Prospective Economic Relationships"). Defendants intentionally sabotaged  
7 the anticipated revenue associated with CM's Prospective Economic Relationships by keeping  
8 track of high-value leads and clients, and once identified, scaling back and/or withdrawing  
9 their sales efforts as to those Prospective Economic Relationships, so as to intentionally cause  
10 such sales not to materialize, so that Defendants could then remarket the same precious metals  
11 investments to those individuals on their own, and then conclude those transactions, reaping  
12 the benefits of those trade commissions for themselves, and not on behalf of CM. Defendants'  
13 acts described herein are collectively referred to as the "Tortious Interference Acts."

14           52.     Independently Wrongful. The Defendants' Tortious Interference Acts were  
15 independently wrongful because Defendants and each of them intentionally schemed with each  
16 other to gather all of CM's confidential, business proprietary, and Trade Secret information,  
17 specifically for the purpose of replicating CM's business and business model, taking advantage  
18 of CM's business relationships and trade partners, and not only lifting and raiding CM's  
19 customer database, but intentionally sabotaging the deals and client accounts they were  
20 responsible for, so as to misappropriate those trades to themselves.

21           53.     Actual Disruption. The relationship between CM and the Prospective Economic  
22 Relationships identified above were in fact disrupted as the investments with CM did not  
23 materialize, and in fact, Defendants, and/or one or more of their entities, including but not  
24 limited to the Samhat Entities and John Does 1-25, concluded the transactions and reaped the  
25 trade commissions from those investment transactions. CM was thereby deprived of the value  
26 of all of its marketing, advertising, and sales activities, because Defendants swooped in and  
27 misappropriated those high-value clients and Prospective Economic Relationships for  
28 themselves, while they were in the course of their duties providing services to CM.



54. Economic Harm. CM suffered economic harm as a result of Defendants' Tortious Interference Acts described herein. CM was deprived of the economic value and benefit from the Prospective Economic Relationships, namely, the trade commissions that accompanied successful investments of precious metals into said consumers' IRA accounts. The extent of CM's economic damages suffered thus far is not yet known. CM intends to discover the identities of the clients and leads constituting the Prospective Economic Relationships during the course of discovery of this matter and ascertain the full extent of its damages in an amount to be determined at trial.

55. Punitive Damages. Defendants committed the Tortious Interference Acts by oppression, fraud, and/or malice, and so Plaintiff CM seek punitive damages against Defendants. Defendants' Tortious Interference Acts were committed intentionally and with an intent to injure Plaintiff CM as Defendants knew exactly what they were doing. Defendants and each of them intentionally schemed with each other, specifically for the purpose of replicating CM's business and business model, by lifting and raiding CM's customer database, forming competing entities, and leading up to the start of their business, intentionally sabotaging the deals and client accounts they were responsible for pursuant to their duties for CM, so as to misappropriate those trades and trade commissions to themselves, converting those funds for their own use. As a result of their deliberate intent to injure CM and outright theft of money and property belonging to CM, CM seeks the imposition of punitive/treble damages.

#### COUNT IV – FRAUD

##### **(Against Michael Samhat and GJMR, Inc.)**

56. Plaintiff re-alleges and incorporates by reference the allegations in all preceding paragraphs of this complaint as though fully set forth herein.

57. Representations. Michael Samhat, individually and on behalf of GJMR, Inc., verbally represented to CM, in and around November 2015, that each of them would perform their services to CM with decency and propriety, so as not to injure CM or its business, to perform services for CM diligently and loyally, and in the best interests of CM.

1           58.     Fraudulent Representations. Michael Samhat, individually and on behalf of  
2 GJMR, Inc., verbally represented to CM and CM's representative Lucas Asher, in and around  
3 November 27, 2015 and thereafter, that each of them would perform their services to CM with  
4 decency and propriety, so as not to injure CM or its business, that they would perform services  
5 for CM diligently and loyally, and in the best interests of CM, that each of them would  
6 maintain the information provided to them by CM as confidential, and maintain the lead/client  
7 information from CM's Customer Database as confidential, and would return all such  
8 information to CM upon the conclusion of their services, and not encourage or solicit any CM  
9 customer to leave CM ("Fraudulent Representations").

10           59.     Defendants Michael Samhat and GJMR made these representations with the  
11 intent to induce CM into hiring them as independent contractors and placing them in a position  
12 so as to permit them to access CM's information without authorization so that they could carry  
13 out their scheme.

14           60.     Falsity and Knowledge of Falsity. At the time the Defendants Michael Samhat  
15 and GJMR made these representations, such representations were not true, and defendants  
16 knew the representations were not true. The true facts were that Defendants Michael Samhat  
17 and GJMR had a scheme, plan, and intent to raid the customers and accounts of CM, to  
18 establish a competing business, and were using CM as a beachhead to establish their own  
19 competitive business entity that was identical to CM.

20           61.     Justifiable Reliance. Based on Defendants Michael Samhat and GJMR's  
21 representations, CM justifiably relied on these representations and hired and retained them to  
22 act as salespersons for CM. CM was ignorant of the falsity of their representations, and their  
23 secret intent to misappropriate CM's Customer Database, Business Proprietary Information,  
24 and Custodian Partner Information. Had CM known the true facts and the Defendants' true  
25 intentions, it would never have placed Defendants Michael Samhat and GJMR in their  
26 positions, given them authority or trust, or paid for any of their services.

27           62.     CM could not have, in the exercise of reasonable diligence, discovered the  
28 defendants' secret intent. As a result, Defendants Michael Samhat and GJMR were hired as

1 sales representatives, and placed in positions where they were able to access and gain entry  
2 into CM's most valuable business information.

3 63. Proximate Causation. Defendants Michael Samhat and GJMR's conduct caused  
4 and was a substantial factor in causing CM's harm.

5 64. Damages. As a proximate result of the Fraudulent Representations, CM has been  
6 damaged, in an amount to be proven at trial.

7 65. Punitive Damages. Defendants Michael Samhat and GJMR committed the  
8 Fraudulent Representations by oppression, fraud, and/or malice, and so Plaintiff CM seek  
9 punitive damages against Defendants. Defendants' Fraudulent Representations were made  
10 intentionally and with an intent to injure Plaintiff CM as Defendants knew exactly what they  
11 were doing. Defendants and each of them intentionally schemed with each other, specifically  
12 for the purpose of replicating CM's business and business model, by lifting and raiding CM's  
13 customer database, forming competing entities, and leading up to the start of their business,  
14 intentionally sabotaging the deals and client accounts they were responsible for pursuant to  
15 their duties for CM, so as to misappropriate those trades and trade commissions to themselves,  
16 converting those funds for their own use. As a result of their deliberate intent to injure CM and  
17 outright theft of money and property belonging to CM, CM seeks the imposition of  
18 punitive/treble damages.

#### 19 COUNT V - CONSTRUCTIVE FRAUD

20 (Against Defendants Michael Samhat and GJMR, Inc.)

21 66. Plaintiff re-alleges and incorporates by reference the allegations in all preceding  
22 paragraphs of this complaint as though fully set forth herein.

23 67. Fiduciary Relationship. As CM's contractor, Defendants Walker and GJMR had  
24 a fiduciary relationship to CM. CM was reliant on Defendants Walker and GJMR to diligently  
25 perform the duties contracted for, namely, sales services related to CM's business in providing  
26 precious metals investments to customers and consumer IRA accounts. CM reposed trust and  
27 confidence in Defendants Michael Samhat and GJMR and trusted them to properly conduct  
28 themselves and implement CM's sales procedures, to deal with CM fairly, candidly, and

1 loyally.

2 68. Exercise of Fiduciary Powers. Defendants Michael Samhat and GJMR in fact  
3 exercised powers as CM's agent and fiduciaries by transacting business on behalf of CM and  
4 acting as sales representatives to grow CM's business. As CM's sales representatives, they  
5 were given the authority to close client transactions and effectuate precious metals investment  
6 trades, in exchange for earning commission on behalf of CM.

7 69. Constructively Fraudulent Acts. Michael Samhat and GJMR breached their  
8 duties owed to CM by misusing their position as CM's contractor, by which they were supposed  
9 to be selling investments to customers on behalf of CM, and instead, defrauding CM by  
10 receiving commissions from CM while they were contemporaneously sabotaging CM,  
11 sabotaging the transactions they were supposed to be materializing, and reserving those  
12 transactions for themselves, so that their competing entities could contact the same clients and  
13 conclude those transactions and trades, and earn the trade commissions individually instead of  
14 CM. The Defendants misused their position as sales representatives to learn which clients/leads  
15 were "warm" customers/leads, as well as prospects who were more likely to close the  
16 transaction, in essence, misappropriating the knowledge they learned about CM customers  
17 while performing services for CM to themselves for their own financial benefit and profit. They  
18 strategically solicited the "best" CM clients and leads and coupled their solicitations with  
19 predatory pricing, undercutting their margins, so as to attract CM's customers, steer them away  
20 from CM, and price CM out of its own market. All of these acts are referred to hereinafter as  
21 the "Constructively Fraudulent Acts.

22 70. Unfair Advantage. The Constructively Fraudulent Acts resulted in an unfair  
23 advantage over CM by Michael Samhat and GJMR, to CM's prejudice and detriment.  
24 Defendants deceived CM by concealing the fact that they were misappropriating for their own  
25 personal benefit the transactions, trades, and identities of the most profitable clients and leads.

26 71. Proximate Causation. Michael Samhat and GJMR's conduct in committing the  
27 Constructively Fraudulent Acts was a substantial factor in causing CM's harm.

28 72. Punitive Damages. Defendants Michael Samhat and GJMR committed the

Constructively Fraudulent Acts by oppression, fraud, and/or malice, and so Plaintiff CM seek punitive damages against Defendants. Defendants' Constructively Fraudulent Acts were committed intentionally and with an intent to injure Plaintiff CM as Defendants knew exactly what they were doing. Defendants and each of them intentionally schemed with each other, specifically for the purpose of replicating CM's business and business model, by lifting and raiding CM's customer database, forming competing entities, and leading up to the start of their business, intentionally sabotaging the deals and client accounts they were responsible for pursuant to their duties for CM, so as to misappropriate those trades and trade commissions to themselves, converting those funds for their own use. As a result of their deliberate intent to injure CM and outright theft of money and property belonging to CM, CM seeks the imposition of punitive/treble damages.

#### **COUNT VI – THEFT/CONVERSION**

##### **(Against All Defendants Including John Does 1-25)**

73. Plaintiff re-alleges and incorporates by reference the allegations in all preceding paragraphs of this complaint as though fully set forth herein.

74. Ownership. Plaintiff CM owned, possessed, and had a right to possess its Customer Database, Business Proprietary Information, Custodian Partner Information, and Misappropriate Trade Commissions.

75. Interference & Deprivation. Defendants intentionally and substantially interfered with CM's property rights by taking possession thereof, and refusing to return them, as follows below ("Conversion Acts"):

- a) The outright theft and conversion, for their own use and benefit, CM's Customer Database, Proprietary Business Information, and Custodian Partners and Custodian Partner Information;
- b) breaking and entering into CM's offices to access private documents, electronic files and records, and accessing CM's trading account portal without authorization; and
- c) intentionally sabotaging client trades that they were assigned to transact,

- 1 so as to stall and delay those trades from occurring (so they could route  
2 those trades to themselves and their new entities) while still performing  
3 services for CM; and
- 4 d) misdirecting, routing, and taking for themselves hundreds of thousands  
5 and possibly millions of dollars of trade commissions that were rightfully  
6 the property of CM, by stalling client trades that were occurring during  
7 the course of their duties for CM, and instead waiting until their  
8 competing entities were formed, so as to conduct trades under those  
9 entities for the benefit of those entities.
- 10 e) Other acts of conversion to be discovered once the discovery of this  
11 matter takes place.
- 12 76. No Consent. CM did not and has not consented to Defendants' conversion of  
13 their assets via the Conversion Acts and were harmed through Defendants' actions and  
14 omissions.
- 15 77. Demand. CM has demanded that Defendants return said money, assets, and  
16 property to them, but said Defendants have failed.
- 17 78. Causation, Harm, and Damages. As a proximate result of Defendants'  
18 Conversion Acts, Plaintiff CM has suffered economic losses in an amount to be proven at trial.
- 19 79. Injunction. Plaintiff CM is entitled to seek injunctive relief to prevent  
20 irreparable harm that has resulted due to Defendants' malfeasance in committing the  
21 Conversion Acts.
- 22 80. Attachment. Plaintiff CM is entitled to seek pre-judgment attachment on all such  
23 assets and property that were the subject of the Conversion Acts by Defendants now in the  
24 possession of Defendants Michael Samhat and GJMR or in the possession of the other  
25 defendants, including but not limited to the Samhat Entities and/or GJMR, Inc.
- 26 81. Punitive Damages. Defendants committed the Conversion Acts by oppression,  
27 fraud, and/or malice, and so Plaintiff CM seek punitive damages against Defendants.  
28 Defendants' Conversion Acts were committed intentionally and with an intent to injure

Plaintiff CM as Defendants knew exactly what they were doing. Defendants and each of them intentionally schemed with each other, specifically for the purpose of replicating CM's business and business model, by lifting and raiding CM's customer database, forming competing entities, and leading up to the start of their business, intentionally sabotaging the deals and client accounts they were responsible for pursuant to their duties for CM, so as to misappropriate those trades and trade commissions to themselves, converting those funds for their own use. As a result of their deliberate intent to injure CM and outright theft of money and property belonging to CM, CM seeks the imposition of punitive/treble damages.

### **COUNT VII – CONSTRUCTIVE FRAUDULENT TRANSFERS**

#### **(Against All Defendants Including John Does 1-25)**

82. Plaintiff re-alleges and incorporates by reference the allegations in all preceding paragraphs of this complaint as though fully set forth herein.

83. Right to Receive. As a result of Defendants' Wrongful Trade Secrets Acts, Wrongful Fiduciary Acts, Fraudulent Representations, Constructively Fraudulent Acts, Conversion Acts, and Tortious Interference Acts, described herein, Plaintiff CM had a right to payment from Defendants for restitution, reimbursement, and money damages.

84. Transfers. Between November, 2015 to the present date, Defendants Michael Samhat and GJMR transferred assets and property rightfully belonging to Plaintiff CM to themselves and third parties, including but not limited to the Samhat Entities (defined above) (collectively "Wrongful Transfers"). Specifically, these assets included the commissions on trades that Defendants Michael Samhat and GJMR redirected to themselves and to the Samhat Entities.

85. No Value. Defendants did not receive reasonably equivalent value in exchange for the Wrongful Transfers.

86. Right to Payment. Plaintiff CM's right to payment from Defendants Michael Samhat and GJMR arose before Defendants Michael Samhat and GJMR made the Wrongful Transfers and transferred Plaintiff's CM's property and assets to themselves and the other Defendants.

1           87.     Inability to Repay. Defendants Michael Samhat and GJMR intended to incur the  
2 debt to Plaintiff CM beyond their ability to repay them when they became due. Defendants  
3 Michael Samhat and GJMR should have known that their debts to Plaintiff CM was beyond  
4 their ability to repay, given the Wrongful Transfers resulted in the commission on trades that  
5 Defendants Michael Samhat and GJMR were supposed to close being entirely redirected to  
6 Defendants Michael Samhat and GJMR and one or more of the Samhat Entities. In essence,  
7 Defendants Michael Samhat and GJMR misappropriated the trade commissions that were due  
8 to Plaintiff CM and then wrongfully transferred those funds to themselves and/or their entities,  
9 the Samhat Entities, for essentially no value, depriving Plaintiff CM of the right to receive, use,  
10 and benefit from those monies.

11           88.     Insolvency. Defendants Michael Samhat and GJMR actions resulted in legal  
12 insolvency at the time of the Wrongful Transfers stated above were made, when considering  
13 the extent of the legal claims against them, including those made herein. Because Defendants  
14 Michael Samhat and GJMR misappropriated Plaintiff CM's money and assets and then gave  
15 them away to others as quickly as possible, Defendants Michael Samhat and GJMR accounts  
16 and assets were left insolvent, when considering the extent of the legal claims against them,  
17 including those made herein, and they have severely depleted the assets of Plaintiff CM and  
18 caused Plaintiff CM to not receive the value of the trade commissions on accounts to which  
19 they were assigned.

20           89.     Proximate Causation. As a consequence of Defendants Michael Samhat and  
21 GJMR Wrongful Transfers of CM's assets and property to themselves and from themselves to  
22 other defendants and/or third parties, Plaintiff CM has been harmed. CM has been deprived of  
23 hundreds of thousands of dollars if not millions of dollars due to the Wrongful Transfers.

24           90.     Causation and Damages. Plaintiff CM suffered losses, damage, and injury in an  
25 amount to be proven at trial.

26           91.     Avoidance/Rescission. Plaintiff CM is entitled to rescission and avoidance of  
27 the Wrongful Transfers at issue, including transfers made Defendants Michael Samhat and  
28 GJMR to one or more of the Samhat Entities, or any of the John Does 1-25.



1           92.    Injunction. Plaintiff CM is entitled to injunctive relief to prevent irreparable  
2 harm that would result if their assets and property were left in the possession of Defendants  
3 and/or their transferees, and there the monies and assets controlled by Defendants may never  
4 be recovered.

5           93.    Attachment. Plaintiff CM is entitled to pre-judgment attachment on all such  
6 assets and property that were the subject of the Wrongful Transfers by Defendants Michael  
7 Samhat and GJMR now in the possession of Defendants Michael Samhat and GJMR or in the  
8 possession of the other defendants, including any one of the Samhat Entities or John Does 1-  
9 25.

### 10                    **COUNT VIII – COMPUTER FRAUD AND ABUSE ACT**

#### 11                    **(Against Defendants Michael Samhat and GJMR)**

12           94.    Plaintiff re-alleges and incorporates by reference the allegations in all preceding  
13 paragraphs of this complaint as though fully set forth herein.

14           95.    Unlawful Acts. Pursuant to 18 U.S.C. §1030(g) of the Computer Fraud and  
15 Abuse Act (CFAA), CM suffered damage and loss by reason of Defendants Michael Samhat  
16 and GJMR's actions, as detailed herein. Between November 27, 2015 and the present date,  
17 Defendants Michael Samhat and GJMR engaged in the following:

- 18               a) lifting, misappropriating, and through the outright theft of CM's Customer  
19 Database, Proprietary Business Information, and Custodian Partners, located on  
20 CM's computers, which were password-protected, encrypted, and not accessible  
21 to the general public, and for which Defendants' access for the above purposes  
22 exceeded their authority;
- 23               b) raiding CM's software database of client and customer information, including  
24 the Customer Database, without authority and without CM's consent;
- 25               c) breaking and entering into CM's offices to access private documents, electronic  
26 files and records, and accessing CM's trading account portal without  
27 authorization, which were on a computer in a locked office that was not  
28 accessible to Defendants Michael Samhat and GJMR and to which they had no

1 authority to enter and access.  
2 (collectively, "CFAA Violations").

3 96. The CFAA Violations constituted violations of 18 U.S.C. §1030, et seq., as  
4 Defendants Michael Samhat and GJMR intentionally accessed CM's computers without  
5 authorization and exceeding their authorized access, obtaining information from protected  
6 computers as detailed in 18 U.S.C. §1030(a)(2)(C); knowingly and with intent to defraud,  
7 accessed CM's computers without authorization and exceeding their authorized access,  
8 furthering their intended fraud and by obtaining things of value, as detailed in 18 U.S.C.  
9 §1030(a)(4); and intentionally accessing CM's computers without authorization, and as a  
10 result thereof, intentionally and/or recklessly causing damage, per 18 U.S.C. §1030(a)(5)(B)  
11 and (C).

12 97. Economic Damage. CM has suffered or will suffer economic damage and/or  
13 loss as a result of Defendants Michael Samhat and GJMR's CFAA violations, including but  
14 not limited to expenditures to verify the nature and extent of the unauthorized access,  
15 alteration, or removal of information from its computer systems and data, expenditures  
16 necessary to recover any damaged information, to change computer passwords and otherwise  
17 prevent further unauthorized access; attorneys' fees to cause defendants to return all  
18 information taken by them; and damages spent to repair CM's relationship with its clients and  
19 all wages, labor, and related expenses thereto, which will involve loss at a minimum, of a one  
20 year period exceeding \$5,000 in value.

21 98. Equitable Relief. CM is entitled to equitable relief against Defendants Michael  
22 Samhat and GJMR, including without limitation, an injunction ordering that, among other  
23 things, defendants and their respective agents, servants, and employees, and all other persons  
24 or entities acting in concert or participation with them, are prohibited from making any use of,  
25 disclosing, disseminating, accessing, copying, altering, taking, deleting, damaging, disrupting,  
26 and/or destroying CM's electronic data, computers, computer systems, computer networks,  
27 Customer Databases, and all other electronic Business Proprietary Information, and be  
28 required to return all such information in their possession.

99. Punitive Damages. Defendants' acts were willful and malicious, and made with a conscious disregard of CM's rights. For example, Defendants and each of them intentionally schemed with each other to access, without authorization, Defendants' computer systems and computing equipment, specifically for the purpose of copying and removing information located on those systems so that they could replicate CM's business and business model, taking advantage of CM's business relationships and trade partners, and not only lifting and raiding CM's customer database, but intentionally sabotaging the deals and client accounts they were responsible for, so as to misappropriate those trades to themselves. As a result of their deliberate intent to injure CM, CM seeks the imposition of punitive/treble damages.

**COUNT IX – UNFAIR COMPETITION**  
**VIOLATION OF CALIFORNIA BUSINESS &  
PROFESSIONS CODE §§ 17200 *ET SEQ.***

**(Against All Defendants Including John Does 1 - 25)**

100. The allegations set forth in paragraphs above are incorporated herein by reference.

101. Defendants' acts, omissions, and practices in misappropriating CM's property and assets for their own use and benefit in competing with CM violated California's Unfair Competition Law ("UCL") (Cal. Bus. & Prof. Code § 17200).

102. California Business & Professions Code sections 17200 *et seq.* provide that "unfair competition shall mean and include any unlawful, unfair or fraudulent business act or practice."

103. Defendants' Trade Secrets Acts, Wrongful Trade Secret Acts, Wrongful Fiduciary Acts, Conversion Acts, Fraudulent Representations, Constructively Fraudulent Acts, CFAA Violations, and Tortious Interference Acts constitute continuing and ongoing unfair, unlawful, and/or deceptive activity prohibited by California Business & Professions Code sections 17200 *et seq.*, and justify the issuance of an injunction, restitution, and other equitable relief pursuant to California Business & Professions Code section 17203, as to Defendants, their managing agents, and officers. This Court is authorized to order injunctive relief, declaratory relief and restitution to affected members of the general public as a remedy for any violations of California Business

1 & Professions Code sections 17200 *et seq.*

2 104. Prop. 64 Standing. Plaintiff has standing to pursue this claim, as Plaintiff suffered  
3 an injury-in-fact and has lost money as a result of Defendants' violations of the UCL. Specifically,  
4 Plaintiff CM was essentially robbed of hundreds of thousands if not millions of dollars of trade  
5 commissions by Defendants' misuse of their business data, customer database, and business  
6 model (which they replicated to form their own competing entity), as they contemporaneously  
7 sabotaged their client accounts while they were still providing services to CM, so as to cause CM  
8 customers to not complete/conclude their contemplated transactions, and so that Defendants,  
9 including but not limited to the Samhat Entities and John Does 1-25, would receive a windfall by  
10 closing those investment transactions on their own, thereby depriving CM from the trade  
11 commissions for those transactions.

12 105. Reliance. Plaintiff relied on Defendants' Fraudulent Representations (defined  
13 above) that they would be acting in CM's best interests when bringing them aboard as CM's sales  
14 representatives.

15 106. Actual or Constructive Knowledge. Defendants' Fraudulent Representations were  
16 false and misleading. Defendants knew, or with the exercise of reasonable care should have  
17 known, that the Fraudulent Representations were false and misleading. Defendants' Fraudulent  
18 Representations were fraudulent.

19 107. Unfair and Unlawful Acts. Defendants' unfair and unlawful acts consisted of the  
20 Wrongful Trade Secret Acts, Wrongful Fiduciary Acts, Conversion Acts, Fraudulent  
21 Representations, Constructively Fraudulent Acts, CFAA Violations, and Tortious Interference  
22 Acts :  
23

24 a) Unlawful. Defendants' Wrongful Trade Secret Acts were unlawful as they  
25 violated California's Trade Secret Act, Cal. Civil Code §§3426-3426.11, and  
26 Defendants' CFAA Violations were unlawful because they violated the  
27 Computer Fraud and Abuse Act, codified at 18 U.S.C. §1030 *et seq.*

28 b) Unfair. Defendants' Wrongful Trade Secret Acts, Wrongful Fiduciary Acts,

Conversion Acts, Fraudulent Representations, Constructively Fraudulent Acts, and Tortious Interference Acts were unfair because Plaintiff CM was essentially robbed of hundreds of thousands if not millions of dollars of trade commissions by Defendants' misuse of their business data, customer database, and business model (which they replicated to form their own competing entity), as they contemporaneously sabotaged their client accounts while they were still providing services to CM, so as to cause CM customers to not complete/conclude their contemplated transactions, and so that Defendants, including but not limited to the Samhat Entities and John Does 1-25, would receive a windfall by closing those investment transactions on their own, thereby depriving CM from the trade commissions for those transactions.

108. Relief Requested. As relief for Defendants' violation of the UCL, Plaintiff seeks:

- a) an Order enjoining Defendants from the methods, acts, and practices violating the UCL;
- b) restitution (Cal. Bus. & Prof. Code § 17535); and
- c) restitutionary disgorgement (Cal. Bus. & Prof. Code § 17535).

**RELIEF REQUESTED**

WHEREFORE, Plaintiff Chase Metals LLC prays that the Court enter judgment in its favor and against Defendants, as follows below:

- a) For compensatory damages in an amount to be proven at trial
- b) For punitive damages.
- c) The imposition of a constructive trust;
- d) Temporary and permanent injunctive relief;
- e) Temporary and permanent pre-judgment attachment;
- f) Any relief specific to each of the above-described causes of action, incorporated by reference herein;
- g) All other just and proper relief.



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DATED: October 21, 2016

AXIS| Legal Counsel

A handwritten signature in black ink, appearing to read 'Rabeh M. A. Soofi', written over a horizontal line.

Rabeh M. A. Soofi

*Counsel for Chase Metals LLC*

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Rabeh M. A. Soofi AXIS Legal Counsel 5670 Wilshire Blvd. 18th Floor Los Angeles, CA 90036 TELEPHONE NO.: 213-403-0130 FAX NO.: 213-403-0132 ATTORNEY FOR (Name): Plaintiff CHASE METALS LLC		FOR COURT USE ONLY  <div style="font-size: 1.5em; font-weight: bold; margin: 10px 0;">FILED</div> Superior Court of California County of Los Angeles  <div style="font-size: 1.2em; font-weight: bold; margin: 10px 0;">OCT 26 2016</div> Sherri R. Carter, Executive Officer/Clerk By <u>Shaunya Bolden</u> Deputy	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES STREET ADDRESS: 111 N Hill Street MAILING ADDRESS: 111 N Hill Street CITY AND ZIP CODE: Los Angeles, CA 90012 BRANCH NAME: Central District		CASE NUMBER: <b>BC 638631</b>  JUDGE:  DEPT:	
CASE NAME: <b>CHASE METALS LLC v. S. MICHAEL SAMHAT ET AL.</b>			
<b>CIVIL CASE COVER SHEET</b> <input checked="" type="checkbox"/> <b>Unlimited</b> (Amount demanded exceeds \$25,000) <input type="checkbox"/> <b>Limited</b> (Amount demanded is \$25,000 or less)		<b>Complex Case Designation</b> <input type="checkbox"/> <b>Counter</b> <input type="checkbox"/> <b>Joinder</b> Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	

Items 1–6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

<b>Auto Tort</b> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <b>Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) <b>Non-PI/PD/WD (Other) Tort</b> <input checked="" type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) <b>Employment</b> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<b>Contract</b> <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <b>Real Property</b> <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) <b>Unlawful Detainer</b> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <b>Judicial Review</b> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<b>Provisionally Complex Civil Litigation</b> (Cal. Rules of Court, rules 3.400–3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <b>Enforcement of Judgment</b> <input type="checkbox"/> Enforcement of judgment (20) <b>Miscellaneous Civil Complaint</b> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <b>Miscellaneous Civil Petition</b> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |  |  |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties   | d. <input type="checkbox"/> Large number of witnesses  |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence   | f. <input type="checkbox"/> Substantial postjudgment judicial supervision  |
3. Remedies sought (check all that apply): a. ☒ monetary    b. ☒ nonmonetary; declaratory or injunctive relief    c. ☒ punitive
4. Number of causes of action (specify): **NINE**
5. This case ☐ is ☒ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

BY FAX

Date: Oct. 21, 2016

Rabeh M. A. Soofi

(TYPE OR PRINT NAME)

**NOTICE**

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

SHORT TITLE: CHASE METALS LLC v. S. MICHAEL SAMHAT ET AL.

CASE NUMBER

BC 6 3 8 6 3 1

**CIVIL CASE COVER SHEET ADDENDUM AND  
STATEMENT OF LOCATION  
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

**This form is required pursuant to Local Rule 2.3 in all new civil case filings in the Los Angeles Superior Court.**

**Item I.** Check the types of hearing and fill in the estimated length of hearing expected for this case:

JURY TRIAL? ☒ YES CLASS ACTION? YES LIMITED CASE? YES TIME ESTIMATED FOR TRIAL 3 HOURS/DAYS

**Item II. Indicate** the correct district and courthouse location (4 steps – If you checked “Limited Case”, skip to Item III, Pg. 4):

**Step 1:** After first completing the Civil Case Cover Sheet form, find the main Civil Case Cover Sheet heading for your case in the left margin below, and, to the right in Column **A**, the Civil Case Cover Sheet case type you selected.

**Step 2:** Check one Superior Court type of action in Column **B** below which best describes the nature of this case.

**Step 3:** In Column **C**, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Local Rule 2.3.

**Applicable Reasons for Choosing Courthouse Location (see Column C below)**

1. Class actions must be filed in the Stanley Mosk Courthouse, central district.
2. May be filed in central (other county, or no bodily injury/property damage).
3. Location where cause of action arose.
4. Location where bodily injury, death or damage occurred.
5. Location where performance required or defendant resides.
6. Location of property or permanently garaged vehicle.
7. Location where petitioner resides.
8. Location wherein defendant/respondent functions wholly.
9. Location where one or more of the parties reside.
10. Location of Labor Commissioner Office
11. Mandatory Filing Location (Hub Case)

**Step 4:** Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

**BY FAX**

	<b>A</b> Civil Case Cover Sheet Category No.	<b>B</b> Type of Action (Check only one)	<b>C</b> Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1., 2., 4.
Other Personal Injury/Property Damage/Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons	1., 4.
		<input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1., 4.
		<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1., 4.
		<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress	1., 3.
		<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1., 4.



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CHASE METALS LLC v. S. MICHAEL SAMHAT ET AL.

CASE NUMBER

Non-Personal Injury/Property  
Damage/Wrongful Death Tort

Employment

Contract

Real Property

Unlawful Detainer

<b>A</b> Civil Case Cover Sheet Category No.	<b>B</b> Type of Action (Check only one)	<b>C</b> Applicable Reasons - See Step 3 Above
Business Tort (07)	<input checked="" type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 3.
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.
Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case <input type="checkbox"/> A6034 Collections Case-Purchased Debt (Charged Off Consumer Debt Purchased on or after January 1, 2014)	2., 5., 6, 11 2., 5, 11 5, 6, 11
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation      Number of parcels_____	2.
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2., 6.
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.

SHORT TITLE:

CHASE METALS LLC v. S. MICHAEL SAMHAT ET AL.

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	<b>A</b> Civil Case Cover Sheet Category No.	<b>B</b> Type of Action (Check only one)	<b>C</b> Applicable Reasons - See Step 3 Above
<b>Judicial Review</b>	Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
	Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
	Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2., 8.
<b>Provisionally Complex Litigation</b>	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1., 2., 3.
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
	Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
<b>Enforcement of Judgment</b>	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
<b>Miscellaneous Civil Complaints</b>	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
<b>Miscellaneous Civil Petitions</b>	Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.
	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

SHORT TITLE:

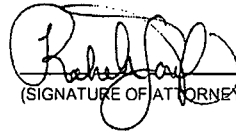
CHASE METALS LLC v. S. MICHAEL SAMHAT ET AL.

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**Item III. Statement of Location:** Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

<b>REASON: Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected for this case.</b> <input checked="" type="checkbox"/> 1. <input type="checkbox"/> 2. <input checked="" type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10. <input type="checkbox"/> 11.			ADDRESS: 1714 N McCadden Place, #3318 Hollywood, CA 90028
CITY: Los Angeles	STATE: CA	ZIP CODE: 90028	

**Item IV. Declaration of Assignment:** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the STANLEY MOSK courthouse in the CENTRAL District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., § 392 et seq., and Local Rule 2.3, subd.(a)].

Dated: 10/21/2016


(SIGNATURE OF ATTORNEY/FILING PARTY)

**PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:**

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 03/15).
5. Payment in full of the filing fee, unless fees have been waived.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.